

Message Text

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PAGE 01 STATE 161721
ORIGIN XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 COME-00 AID-05 /027 R

EXIMBANK

DRAFTED BY XMB: J.M. KEANE/AA
APPROVED BY EB/IFD/ODF:MCREEKMORE
XMB: R.D. CRAFTON
ARA/AND:DWCOX
-----025328 122246Z /65
R 121848Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY BOGOTA

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E.O. 11652: N/A

TAGS: EGEN CO

SUBJECT: COLOMBIA - SALE OF 66MW STEAM TURBINE GENERATOR
SETS FOR INSTALLATION AT BARRANQUILLA AND CARTAGENA.

REFERENCE: STATE 134936

1. EXIMBANK WAS ADVISED BY CORELCA IN TELECON ON 7/6/77
THAT CONTRACT FOR ABOVE-REFERENCED PROJECT HAS BEEN
AWARDED TO SIEMENS/KRAFTWERKE UNION OF GERMANY. EXIMBANK
REQUESTED INFORMATION ON REASONS FOR AWARD AND CORELCA
RESPONDED THAT INFORMATION COULD ONLY BE PROVIDED AT
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PAGE 02 STATE 161721

COMPANY HEADQUARTERS IN BARRRANQUILLA.

2. AS OUTLINED IN STATE 134936 AND IN OTHER INFORMATION
DEVELOPED BY EXIMBANK, A DISPARITY EXISTS BETWEEN THE RE-
PAYMENT TERM OFFERED BY SIEMENS (10 YEARS) IN ITS BID AND
THE REPAYMENT TERM WHICH HERMESKREDIT INDICATES IT WILL
SUPPORT (8 YEARS). EXIMBANK IS VERY INTERESTED IN
KNOWING PRECISE REASON FOR AWARD OF CONTRACT TO SIEMENS.
CORELCA INFORMED EXIMBANK THAT AMENDED TERMS OF P.C.

77-0-3951 (SUPPLIER - WESTINGHOUSE) APPROVED BY EXIMBANK ON 6/2/77 WERE NOT ACCEPTED FOR EVALUATION BY CORELCA. THESE AMENDED TERMS WERE HIGHLY COMPETITIVE AND WOULD HAVE GREATLY ASSISTED WESTINGHOUSE.

3. THE NEXT PLANNED EXIMBANK VISIT TO COLOMBIA IS IN OCTOBER 1977. DUE TO THIS TIME DELAY WE REQUEST EMBASSY ASSISTANCE IN OBTAINING INFORMATION ON THE FOLLOWING MATTERS:

A. TERMS AND CONDITIONS OF SIEMENS FINANCING OFFER AND CONFIRMATION THAT HERMESKREDIT IS OFFERING OFFICIAL SUPPORT. INFORMATION ON REPAYMENT TERM, INTEREST RATE, SOURCES OF FINANCING AND PERCENTAGE OF FINANCING BEING OFFICIALLY SUPPORTED.

B. PRIMARY REASONS FOR AWARD OF CONTRACT TO SIEMENS, WESTINGHOUSE ALLEGES THAT FACTORS OTHER THAN FINANCING, CONTRACT PRICE AND DELIVERY TIME PLAYED PRIMARY ROLE IN CONTRACT AWARD.

C. SIGNIFICANCE OF GOVERNMENT DECREE 150 ISSUED IN COTOBER 1976 OUTLINING BIDDING PROCEDURES TO BE FOLLOWED ON GOVERNMENT SPONSORED PROJECTS. CORELCA ADVISED LIMITED OFFICIAL USE

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PAGE 03 STATE 161721

EXIMBANK IN REFTELECON THAT ALL REVISED BIDS WERE REJECTED BECAUSE ABOVE DECREE PROHIBITED REVISIONS TO ORIGINAL BID. PLEASE ADVISE EXIMBANK IF ALL FUTURE GOVERNMENT BIDS WILL PROHIBIT REVISIONS IN EXIMBANK FINANCING OFFERS ISSUED TO SUPPORT U.S. SUPPLIERS. VANCE

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Message Attributes

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Sent Date: 12-Jul-1977 12:00:00 am
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